



الخریفة لتقنية المياه والطاقة
Alkhorayef Water & Power Technologies

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Nominations Policy

Part (1): Preamble:

1. Introduction and Purpose

- 1.1 The purpose of this Nominations Policy "**Policy**" is to regulate the nomination process:
 - A) Members of the Board of Directors of Alkhorayef Water & Power Technologies Company (the "**Company**").
 - B) Committee Members.
 - C) Senior Executives.
- 1.2 This policy aims to implement and complement the relevant provisions stipulated in the Company's Bylaws. In the event of a conflict between this policy and the Bylaws, the latter shall prevail.
- 1.3 The provisions of this policy are mandatory, and the Board of Directors shall verify the implementation of the necessary measures to ensure the company's compliance with the provisions of this policy.

2. Definitions:

- 2.1 The terms and expressions used in this policy shall have the meanings assigned to them in the Company's Internal Governance Regulations, unless the context requires otherwise.

Part (2): Nomination of Board Members

1. General rules

- 1) The Ordinary General Assembly shall appoint the members of the Board of Directors by cumulative vote for a period not exceeding three (3) years, and the members of the Board of Directors may always be re-appointed.
- 2) Any shareholder may nominate himself or others for membership of the Board of Directors in accordance with the applicable laws and regulations, articles of association and this policy.

2. Conditions and Qualifications

2.1 It is required that a member of the Board of Directors be of professional competence who possesses the necessary understanding of experience, knowledge, skill and independence, in order to enable him to perform his duties efficiently and competently, taking into account that he meets, in particular, the following:

- A) **Ability to lead:** 1. The member shall enjoy leadership skills, which enable him/her to delegate powers in order to enhance performance and apply best practices in effective management and compliance with professional ethics and values.
- B) **Qualifications, skills and experience:** The member shall have the academic qualifications and proper professional and personal skills as well as an appropriate level of training and practical experience related to the current and future businesses of the Company and the knowledge of management, economics, accounting, law or governance, as well as the desire to learn and receive training.
- C) **Ability to Guide:** The member shall have the technical, leadership, and administrative competencies as well as the ability to take prompt decisions, and understand technical requirements and developments related to the job. He/she shall also be able to provide strategic guidance and long-term planning and have a clear future vision.
- D) **Financial Knowledge:** The member shall have the ability to read and understand financial statements and reports.
- E) **Physical Fitness:** The member shall not suffer from any health issue that may hinder him/her from performing his/her duties and responsibilities.

2.2 A candidate for membership of the Board of Directors must fulfill the following conditions at the time of his nomination:

- A) The nominee shall not have been previously convicted of a crime of dishonesty
- B) The nominee shall not be a member of the boards of more than five listed joint stock companies at the same time.

C) The nominee shall not have an interest or participate in any business that would compete with the business or activities of the company (except as permitted under the applicable laws and regulations, articles of association, conflict of interest policy, and work ethics).

2.3 In addition to the conditions and qualifications described in paragraphs (2-1) and (2-2) of Part 2 above, the Board of Directors may, upon the recommendation of the Nominations and Remuneration Committee, determine complementary conditions, qualifications and criteria for membership of the Board of Directors.

3. Nomination Procedures:

- 3.1** Prior to the expiry of its term of office, the Board of Directors shall issue a resolution permitting the commencement of nomination procedures and specifying any supplementary requirements, qualifications, or criteria relating to membership of the Board pursuant to paragraph (2) of Part 2. Such decision shall be issued at least 90 days prior to the expiration of a term of the current board of directors.
- 3.2** Immediately after the issuance of the Board of Directors' decision pursuant to paragraph (1-3) of Part 2 above, the company shall announce the start of the nomination procedures on the company's website and the market's website and through any other means specified by the Capital Market Authority (the "Authority"), in order to invite persons wishing to run for membership. The Board of Directors announces the candidacy, provided that the door for candidacy remains open for at least one month from the date of the announcement.
- 3.3** Candidates must submit a written application to the Nominations and Remuneration Committee expressing their desire to be nominated for membership of the Board of Directors, and the relevant documents stipulated in the candidacy announcement must be attached to that application.
- 3.4** The Nominations and Remuneration Committee reviews the application submitted by each candidate as well as the attached documents and checks them in accordance with the applicable policies and standards.

- 3.5** The Nominations and Remuneration Committee shall provide the Board of Directors with recommendations that include the names of the candidates for Board membership or those who have been re-nominated) in accordance with applicable laws, regulations, rules and policies (including this policy).
- 3.6** The Board of Directors reviews the recommendations submitted by the Nominations and Remuneration Committee regarding the candidates for Board membership and issues a decision regarding them.
- 3.7** The number of Board of Directors candidates whose names are presented to the General Assembly must exceed the number of available seats.
- 3.8** The company announces on its website and the website of the Market the information of the candidates for membership of the Board of Directors when publishing or sending the invitation to convene the General Assembly during which the members of the Board of Directors will be elected from among the candidates for membership of the Board, and the company must provide a copy of this information at its headquarters.
- 3.9** When electing members of the Board of Directors, the General Assembly shall take into account the recommendations of the Nominations and Remunerations Committee and provide the necessary personal and professional ingredients to perform their duties effectively.

4. Termination of membership and vacant seats:

- 4.1** The process of terminating membership in the Board of Directors and appointing replacements in the event of vacant seats is subject to the applicable laws and regulations, the articles of association, the internal governance regulations of the company, and the applicable policies.

Part 3: Nomination and appointment of committee members

1. Nomination and appointment rules
- 1.1 Committee members are nominated and appointed in accordance with the work regulations of the concerned committee.

Part 4: Nomination and appointment of senior executives

1. Nomination and appointment rules

- 1.1 The Board of Directors is responsible for appointing senior executives in the company, regulating how they work, controlling and supervising them, and verifying their efficient performance of the tasks entrusted to them. The Nominations and Remuneration Committee of the Board of Directors recommends potential candidates for the positions entrusted to senior executives in the company, including the position of CEO.
- 1.2 The criteria for nomination, screening and annual evaluation related to senior executive positions shall be approved by a decision issued by the Board of Directors based on the recommendation of the Nominations and Remuneration Committee, and shall enter into force and be amended (as appropriate) in accordance with its provisions.

Part (5): Final Provisions

1. Enforcement and Review

- 1.1 This policy shall be adopted by a decision of the General Assembly, based on a recommendation from the Board of Directors (where that recommendation is based on the recommendation of the Remuneration and Nominations Committee), and shall come into effect from the date of its approval by the General Assembly.
- 1.2 The Nominations and Remunerations Committee supervises the implementation of this policy, reviews its provisions on a regular basis, and submits its recommended amendments to the Board of Directors.
- 1.3 Any modifications to this policy will be approved in the same manner as this policy was adopted.

2. Disclosure

- 2.1 In relation to this policy, the Board of Directors shall abide by disclosure requirements and obligations under the disclosure policy and applicable laws and regulations.